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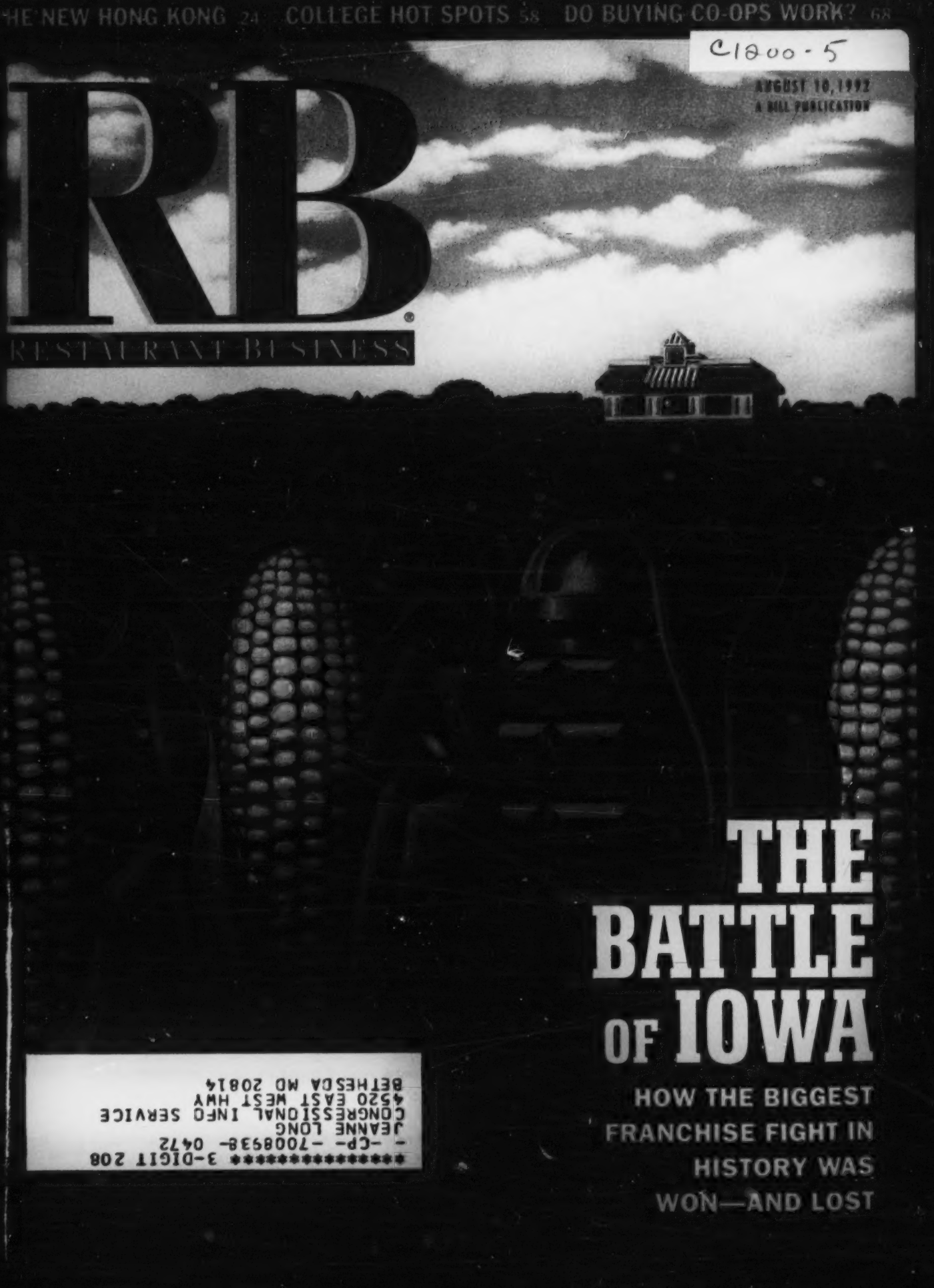

THE BATTLE OF IOWA

HOW THE BIGGEST FRANCHISE FIGHT IN HISTORY WAS WON—AND LOST

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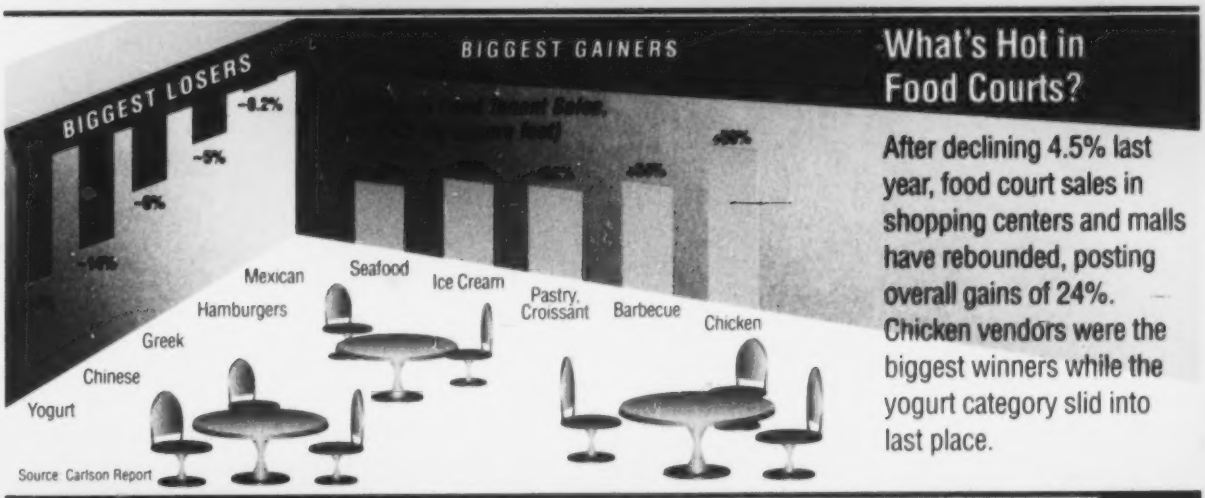
BUSINESS BAROMETER



What's Hot in Food Courts?

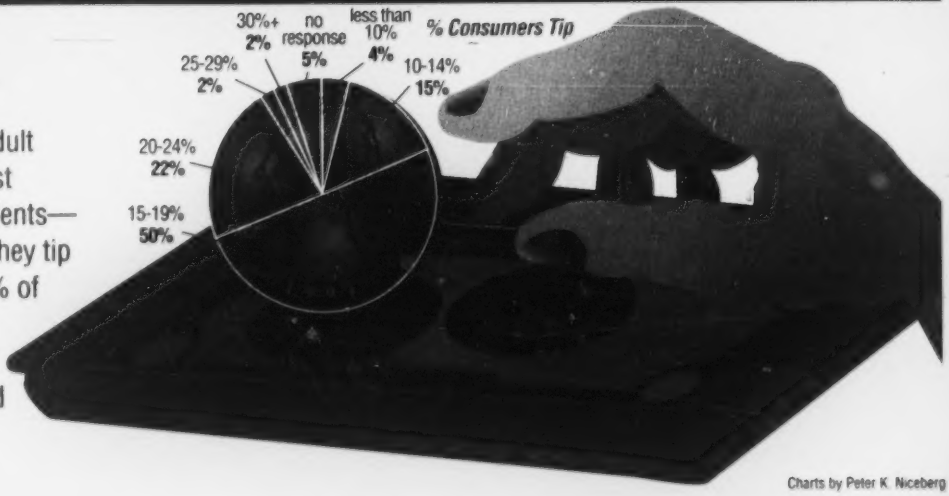
After declining 4.5% last year, food court sales in shopping centers and malls have rebounded, posting overall gains of 24%. Chicken vendors were the biggest winners while the yogurt category slid into last place.

Where's The Hotel Market Going?

Limited-service, suburban hotels are becoming the favored lodging properties of the 90s. More than 40% of hotels that have opened since 1990 are limited-service, and more than half of newly opened hotels are in suburban locations.

How Much Do Customers Tip?

In a survey of 1,000 adult consumers, the biggest percentage of respondents—50%—indicated that they tip between 15% and 19% of their total bills. Some 85% of restaurateurs said customers should tip that amount.



Charts by Peter K. Niceberg

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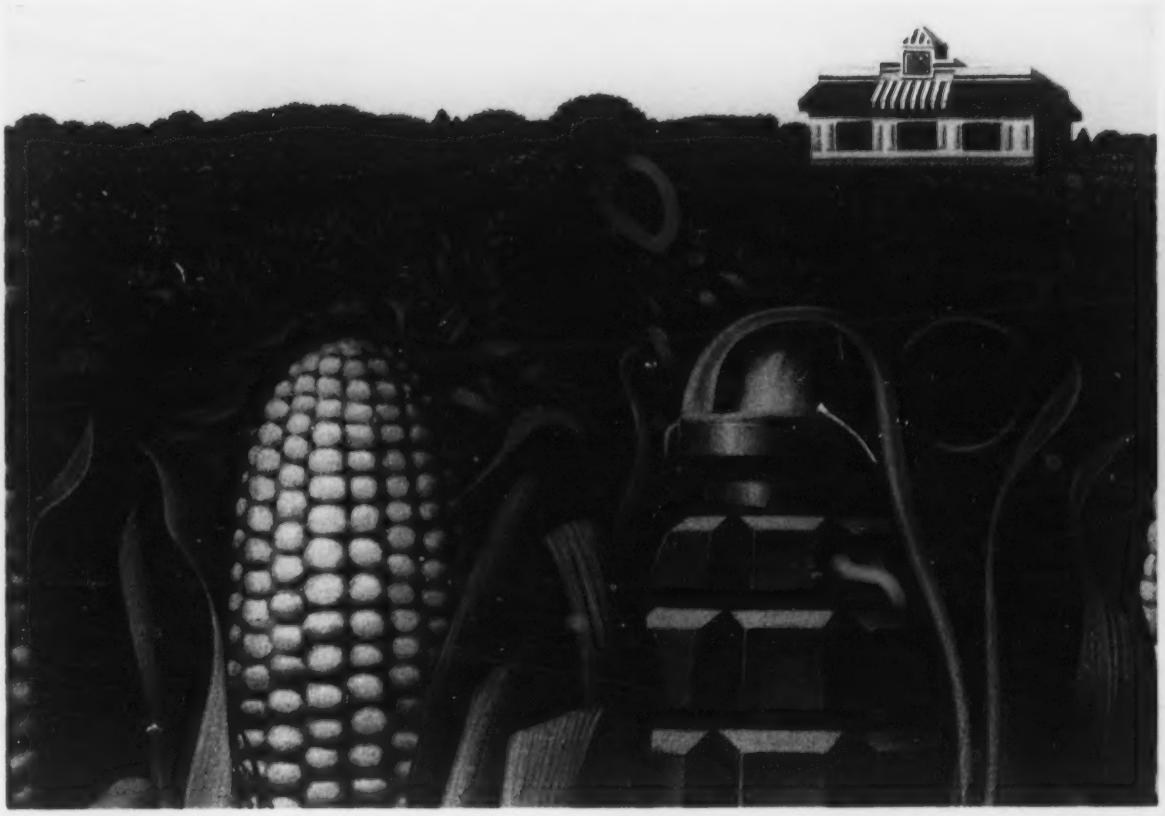

COVER STORY

THE BATTLE OF IOWA. How did a bitter contract dispute at KFC turn into the biggest franchise fight—and the most restrictive law—in history? More important, at least for fast-food chain execs, are the ramifications the Iowa legislation will have throughout the rest of the country and on the future of franchising **78**

FEATURES

MARKETS COLLEGES. What had been a tentative trickle into the hallowed halls of higher learning among several fast-food brands is now more like the storming of the Bastille. Much of this new movement has to do with new technologies that have enabled chains to downsize units and lower costs in order to plow into nontraditional markets **58**

INDEPENDENT BUYING CO-OPS. Fed up with chains getting all the best deals, some independents are saving money through joint purchasing. Co-ops, organizers say, offer members savings of 10%-15% or more in food and supplies, and there's also the prospect of additional savings on insurance, linen, telephone use, trash removal, and credit card processing **68**

WARES, ETC. GLASSWARE. Some operators choose a single type and size of glass and use it for every beverage; others maximize merchandising opportunities with a different glass for each drink. Both strategies have their pros and cons **148**

MARKET SEGMENT REPORT FAMILY RESTAURANTS. Armed with value-oriented menu deals, family restaurants are once again on the expansion trail. The baby boom bulge is hitting target markets and most chains are experiencing modest increases in sales **155**

Cover illustration by Daniel Kirk

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FOOD AND BEVERAGE

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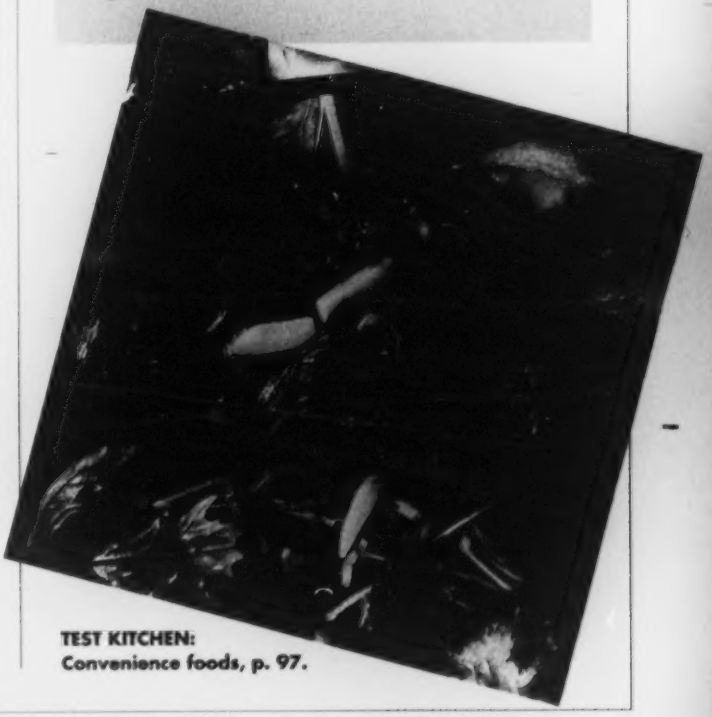
IN THE NEXT ISSUE

COVER STORY CREDIT CARD CHAOS. As credit and charge card companies intensify their battles against one another with pitches for their acceptance at service establishments, restaurateurs begin to wonder which cards they really need. *RB* takes a look at the rates charged, the promotional benefits, and offers a primer to guide a restaurateur in deciding which cards to accept.

SPECIAL REPORT JOHN KLUGE. One of the richest men in America, Kluge entered the restaurant business in a big way with Metromedia. Parent of Ponderosa and Bonanza, the company continues to have problems uniting the two competitive chains.

MARKET SEGMENT REPORT BAKERY. The retail bakery business has had a tough year. But restaurants that serve freshly baked goods find them to be signature profit centers.

TEST KITCHEN ONE-POT MEALS. Soups, stews, and beyond, one-pot meals now include ethnic-influenced dishes that are steamed in savory broths or baked in parchment paper. These are truly whole meals based on seafood, beef, chicken, or even vegetable mixtures with grains.



TEST KITCHEN:
Convenience foods, p. 97.

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